

**Offeror's Conference**  
**February 28, 2013**  
**Joint Forces Headquarters (JFHQ)**

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**David Lingren  
Executive Director  
Iowa Communications Network**

# Agenda

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- I. Introduction
  - II. ICN Business Profile
  - III. ICN Financial Overview
  - IV. Privatization Process and Goals
  - V. RFP Requirements Overview
  - VI. Timeline
  - VII. Q&A
  - VIII. Adjournment/Tour
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# ICN Business Profile

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**Phil Groner**  
**Manager of Business Services**  
**Iowa Communications Network**

# ICN Business Profile

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- ICN Organization
  - Iowa Telecommunications and Technology Commission
  - ICN Divisions
    - Executive Director's Office
    - Operations and Engineering Division
    - Administration Division
- Authorized Users
- Certified Users
- Services Provided
  - Distance Learning – Videoconferencing
  - Internet/Data
  - Voice Services
  - Installation Services

# ICN Financial Overview

**Deb Evans**  
**Manager of Finance Division**  
**Iowa Communications Network**

# ICN Financial Overview

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- Revenues
- Expenditures
- Capital Equipment

# Privatization Process and Goals

**Dave Lunemann**  
**Fiberutilities Group**



# Privatization Process and Goals

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House File 45 - Sec. 8. As amended by House File 646, Sec. 55

## SALE OR LEASE OF IOWA COMMUNICATIONS NETWORK.

The Iowa telecommunications and technology commission shall implement a request for proposals process to sell or lease the Iowa communications network. The request for proposals shall provide for the sale to be concluded or the lease to commence during the fiscal year beginning July 1, 2012. The commission shall condition the sale or lease of the Iowa communications network with terms that will allow existing authorized users of the network to continue such use at a lower overall long-term cost when compared to the anticipated operation and maintenance costs if state ownership and control were to continue. Public funds shall not be used to secure the purchase of the network. The commission shall submit periodic status reports to the general assembly at three-month intervals, beginning on October 1, 2011, regarding progress made toward selling or leasing the network. The prior authorization and approval requirements specified in section 8D.12 shall be complied with prior to a sale or lease of the network pursuant to this section.



# RFP Implementation Team (RIT)

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- Although the legislation was clear in its intent, further details needed to be established
- Foundational Assumptions had to be verified
- Process needed to be highly inclusive and completely transparent.
- Best approach: To create a comprehensive team to achieve this purpose.

# RIT Concept and Participants

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- Critical to receive and record direct input
- Assumptions formed the basis of the RFP for sale or lease of the ICN
- Team tasked with providing feedback regarding the specific definitions and assumptions for unidentified aspects of the legislation
- Achieved the time sensitive requirements of the legislation
- Necessary to ensure the RFP was completed on time
- Operated under the guidance of the Iowa Telecommunications and Technology Commission (ITTC).
- Consisted of a broad range of organizations and stakeholders

# RFP Implementation Team (RIT) Roster

Iowa Telecommunications and Technology Commission (ITTC)	Dave Lingren
Governor's Office/Iowa Department of Management	Todd Schultz
Office of the Auditor of State	Andy Nielsen
Office of the Attorney General	Meghan Gavin
Iowa Department of Public Safety	Sgt. Tom Lampe
Iowa Department of Education	Gwen Nagel
Senate	Sen. Mark Chelgren (REP) Sen. Matt McCoy (DEM)
House	Rep. Walt Rogers (REP) Rep. John Wittneben (DEM)
Judicial Branch	Mark Headlee
Iowa Hospital Association	Art Spies
Iowa Community Colleges	Gretchen Bartelson

# RIT Meetings and Process

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- Five (5) open meetings
- Foundational Assumptions were posited to the group followed by open discussion and clarification of additional questions
- Twenty nine (29) Foundational Assumptions created by ITTC

# Assumption Examples

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## **Assumption # 8:**

*“The initial term of a lease will be 5 years from the contract closure with two 5 year renewals at the option of the lessee.”*

## **Assumption # 15:**

*“Authorized users will consist of all entities falling under the current statutory definition irrespective of if those authorized users are current active customers of the ICN. An authorized user list will be identified in the RFP.”*

## Example Assumption Submitted by the RIT

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### **Assumption # 36 (submitted by Iowa Department of Education RIT member)**

*“In the event of a sale or lease of the network, costs for Internet services to Pre K through 12 will be protected on a long term basis. The need for bandwidth by school districts and non – public schools will increase rapidly with the increase in innovation throughout the state including online learning and the 1 to 1 school initiatives.”*

# Privatization Process and Goals

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- The RIT reviewed a total of forty one (41) Foundational Assumptions
- Each RIT member present was polled for their position



# The Output of the RIT Process

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- All discussion for each RIT member present was recorded
- Each RIT meeting concluded with an opportunity for comments
- The RFP Foundational Assumption Proofing Process was intended to provide a structured, fair, open, transparent, and documented environment
- The RIT team did not have 'voting' rights, and did not have the authority to specify RFP attributes
- The information was provided to ITTC for creation of the final RFP

# Documentation of RIT Activities and Output

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Complete documentation of all discussion and events that transpired during RIT meetings were posted and updated in a Foundational Assumptions document at <http://icn.iowa.gov/about-icn/rfp-implementation-team>.

# RFP Requirements Overview

**Rob Smith**  
**Fiberutilities Group**

# Requirements Overview

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- [www.ICNRFP.com](http://www.ICNRFP.com)
- Amendment 1 – Disclosure Statement

# Requirements Overview

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- Responses due 4:00 PM, April 30, 2013
- Must include an original and four hard copies –
  - Five copies total
  - One additional electronic copy - Microsoft Word Format
  - Proposals must be valid for 12 months

# Format of Responses

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- Section One: Executive summary of the response and provides an overall summary of offeror qualifications and vision
- Section Two: Statements of concurrence with privatization objectives
- Section Three: Offeror qualifications
- Section Four: Financial proposal
- Section Five: Outline of Rate and Service Plans
- Additional sections optional

# Additional Mandatory Documents

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- Contact Information
- Completed and notarized Disclosure Statement
- Two (2) executed originals of the Confidentiality Agreement
- Recent audited financial statements
  - Last three (3) years
- Description of the sources and extent of credit resources
- Description of Offeror Qualifications
- Other details as specified by RFP

# Confidential Information

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- Code Chapter 22
- All information submitted will be treated as public information
- Details can be found at [www.ICNRFP.com](http://www.ICNRFP.com)



# Due Diligence

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- ICN Resource Room
  - Grimes State Office Building
- Visit [www.ICNRFP.com](http://www.ICNRFP.com) for guidelines

# The BTOP Notice of Funds Availability

## [75 Fed. Reg. 3792, 3810 (Jan. 22, 2010)]

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a. **Restriction on Assets** The sale or lease of any portion of the award-funded broadband facilities or equipment during the life of the facilities or equipment is prohibited, except as provided herein. Nothing in this section is meant to limit CCI awardees from leasing facilities to another service provider for the provision of broadband services, nor is this section meant to restrict a transfer of control of the awardee. (Note that certain equipment is exempt from obligations to the Federal government and may be used and sold at the awardee's will. See 15 CFR 14.34(g), 24.32.) Awardees are required to comply with all applicable regulations regarding the disposition of real property and equipment. (See, e.g., 15 CFR 14.32–14.34; 15 CFR 24.31–24.32.)

## The BTOP Notice of Funds Availability [75 Fed. Reg. 3792, 3810 (Jan. 22, 2010)]

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b. Petition for Waiver NTIA will consider a petition for waiver of the above restriction if: (a) The transaction is for adequate consideration; (b) the purchaser or lessee agrees to fulfill the terms and conditions relating to the project after such sale or lease; and (c) the transaction would be in the best interests of those served by the project. The petition for waiver may be submitted at any time during the life of the award-funded facilities and equipment, and it must include supporting documentation and justification regarding why the petition should be granted.

# Timeline

**Dave Lingren**  
**Executive Director**  
**Iowa Communications Network**

# Timeline

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Task Name	Start	Finish
RFP Release	2/6/13	
RFP Response Period	2/6/13	4/30/13
RFP Due	4/30/13	4/30/13
RFP Analysis	5/1/13	6/11/13
Guidance from IGOV	6/12/13	8/13/13

# Question and Answer

**Rob Smith**  
**Fiberutilities Group**

# Adjournment